

Message Text

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ACTION NEA-12

INFO OCT-01 PM-07 CIAE-00 INR-10 NSAE-00 RSC-01 AID-20

IGA-02 HEW-08 TRSE-00 OMB-01 L-03 VA-01 ADP-00 RSR-01

/067 W

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P 061515Z AUG 73

FM AMEMBASSY JIDDA

TO SECDEF WASHDC PRIORITY

INFO SECSTATE WASHDC PRIORITY 4584

DA PRIORITY

DA OCE PRIORITY

MEDDIC COE LIVORNO PRIORITY

COE RIYADH PRIORITY

CHUSMTM DHAHRAN PRIORITY

USCINCEUR ECJG PRIORITY

C, USAS RIYADH

UNCLAS SECTION 1 OF 2 JIDDA 3338

DOD FOR MR. NOYES; DA OCE FOR GEN. REBH

EO 11652: N/A

TAGS: MASS, SA

SUBJECT: SAA MEDICAL SERVICES DEPARTMENT EXPANSION PROGRAM

REF: (1) USMTM 120925Z JUL 73 (NOTAL)

(2) DIVENGR MED LEGHORN ITALY 130835Z JUL (NOTAL)

(3) USMTM 231010Z JUL 73 (NOTAL)

SUMMARY. INITIAL REVIEW OF SAA HOSPITAL ADMINISTRATION
BIDS REVEALS SAA BID SPECIFICATIONS IN NEED OF MAJOR RE-
WRITE. SAA REQUESTS USG ASSISTANCE. EMBASSY, USMTM,
AND COE REQUEST AUTHORIZATION PROVIDE SHORT-TERM ASSISTANCE,
WHILE ATTEMPTING CONVINCE SAA THAT CIVILIAN CONSULTING
FIRM OFFERS BEST SOLUTION TO FILL LONG-RANGE NEED. END
SUMMARY.

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1. AMEMBASSY JIDDA, USMTM, AND SAUDI ARABIA DISTRICT

US ARMY CORPS OF ENGINEERS ALL CONCUR IN FOLLOWING MESSAGE.

2. IN ACCORD WITH REFTELS A USMTM-COE TEAM REVIEWED THE REQUEST FOR PROPOSALS (RFP) AND THE PROPOSALS SUBMITTED BY CONTRACTORS UNDER THE SAUDI ARABIAN ARMY MEDICAL SERVICES EXPANSION PROGRAM. THE FINDING OF THE TEAM IS THAT THE RFP AND THE PRE-PROCUREMENT ACTIONS HAVE FOLLOWING BASIC FAULTS: (I) NO GOVERNMENT ESTIMATE; (II) LACK OF LEGAL PROTECTIVE CLAUSES; (III) UNREALISTIC CONSTRUCTION PHASES; (IV) HEAVY RELIANCE ON NEGOTIATION WITH BIDDERS TO CURE RFP INADEQUACIES; (V) LITTLE CRITERIA, ET CETERA. BECAUSE OF THESE DEFICIENCIES IN THE RFP AN OBJECTIVE EVALUATION OF BIDS RECEIVED IS NOT POSSIBLE. BASED UPON THE INITIAL REVIEW, THE TEAM RECOMMENDED TO THE SAA MEDICAL SERVICES DEPARTMENT THAT THE AWARD OF A CONTRACT BE DELAYED UNTIL A MORE COMPLETE AND PRECISE RFP COULD BE DEVELOPED. MODA HAS NOW REQUESTED CONTINUED AND EXPANDED USG ASSISTANCE TO IMPLEMENT THE TEAM RECOMMENDATIONS.

3. THE MEDICAL SERVICES DEPARTMENT EXPANSION PROGRAM IS OF GREAT CONCERN TO HRH PRINCE SULTAN, MINISTER OF DEFENSE AND AVIATION, BECAUSE OF THE DIRE NEED TO ACTIVATE THE SAA HOSPITALS AND THEREBY IMPROVE ARMY HEALTH AND MORALE. SAG STRONGLY RESISTS SUGGESTIONS TO OBTAIN FROM COMMERCIAL FIRMS THE HELP THEY ARE REQUESTING THE US GOVERNMENT TO PROVIDE. AMBASSADOR, CHIEF USMTM AND COE DISTRICT ENGINEER ARE IN UNANIMOUS AGREEMENT THAT IT IS IN THE BEST INTEREST OF THE USG FOR USMTM AND COE TO CONTINUE TO HELP THE MODA MEDICAL DEPARTMENT UNTIL A CONTRACT IS AWARDED AND AN ORGANIZATION ESTABLISHED TO ADMINISTER THE CONTRACT. HOWEVER, NEITHER USMTM NOR THE COE HAS STAFF IN SAUDI ARABIA QUALIFIED TO PROVIDE ALL THE TYPES OF ASSISTANCE NEEDED AND EVEN WHERE PERSONS WITH THE REQUIRED SKILLS ARE AVAILABLE, NEITHER USMTM NOR THE COE HAS SUFFICIENT STAFF DEPTH TO ALLOW THESE STAFF MEMBERS TO UNDERTAKE THE FULL-TIME EFFORT NEEDED TO DO THE JOB. THE TEMPORARY HELP OF US GOVERNMENT PERSONNEL FROM OUTSIDE SAUDI ARABIA WILL BE REQUIRED UNTIL A MORE PERMANENT, LONG-RANGE MEANS OF PROVIDING ASSISTANCE CAN BE ESTABLISHED.

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4. SINCE IT IS NOW CLEAR THAT ORIGINAL BID SPECIFICATIONS REQUIRE MAJOR RE-WRITE, AND THAT NO BASIS EXISTS FOR COMPARING VARIOUS PROPOSALS SUBMITTED BY BIDDERS, BELIEVE IT NECESSARY WE REDEFINE MISSION OF MEDICAL CONTRACTING TEAM REQUESTED REFTELS 1 AND 3. BELIEVE AUTHORITY SHOULD NOW BE GRANTED TO ASSIST SAG IN (1) DRAWING UP GOVERNMENT COST ESTIMATE TO SERVE AS REFERENCE POINT IN EVALUATING

PROPOSALS, (2) RE-WRITING SPECIFICATIONS FOR ADEQUATE RFP (DELAYING PRESENT PROCUREMENT ATTEMPT). THIS WOULD INCLUDE STUDYING POSSIBILITY OF SEPARATING OUT CONSTRUCTION, SUPPLY, AND PROCUREMENT FUNCTIONS FOR SEPARATE BIDDING. BELIEVE TWO AVENUES OF RESPONSE ARE OPEN TO US:

A. COE IMMEDIATELY OBTAIN TDY PERSONNEL FOR 90-120 DAYS' DURATION FROM COE, VETERANS' ADMINISTRATION, ARMY MEDICAL CORPS, DEPARTMENT OF HEW OR OTHER SOURCE TO UNDERTAKE THIS WORK, OR

B. USMTM ACQUIRE TAFT TEAM OF SPECIALISTS FOR THIS TASK.

5. COUNTRY TEAM FAVORS FIRST COURSE, SINCE COE ALREADY HAS MODA MONEY AVAILABLE FOR OTHER PROGRAMS WHICH COULD BE UTILIZED TO FUND THE TDY EFFORT AFTER MODA AUTHORIZATION, WITH MODA MEDICAL CORPS TO REPLACE FUNDS EXPENDED. THIS ALLOWS MOST TIMELY RESPONSE, WHICH IMPORTANT AT THIS STAGE IF SAA PROGRAM TO CONTINUE TO MOVE FORWARD. WE RECOGNIZE THAT COE DOES NOT HAVE PERSONNEL IN ITS RANKS WITH ALL NECESSARY SKILLS AND THAT SUPPORT FROM OTHER USG ORGANIZATIONS REQUIRED. COE IS DESIROUS OF TERMINATING ITS INVOLVEMENT IN PROGRAM (OTHER THAN CONSTRUCTION AND RELATED ASPECTS) AS SOON AS OTHER MEANS OF PROVIDING SUPPORT CAN BE ESTABLISHED, BUT AGREES THAT EVIDENT MODA NEED AT PRESENT TIME JUSTIFIES INITIAL INVOLVEMENT. COE-RECRUITED PERSONNEL WOULD WORK UNDER DIRECTION OF CHUSMTM.

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ACTION NEA-12

INFO OCT-01 ADP-00 PM-07 CIAE-00 INR-10 NSAE-00 RSC-01

AID-20 IGA-02 HEW-08 TRSE-00 OMB-01 L-03 VA-01 RSR-01

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P 061515Z AUG 73

FM AMEMBASSY JIDDA

TO SECDEF WASHDC PRIORITY

INFO SECSTATE WASHDC PRIORITY 4585

DA PRIORITY
DA OCE PRIORITY
MEDDIV COE LIVORNO PRIORITY
COE RIYADH PRIORITY
CHUSMTM DHAHRAN PRIORITY
USCINCEUR ECJG PRIORITY
C, USAS RIYADH

UNCLAS SECTION 2 OF 2 JIDDA 3338

DOD FOR MR. NOYES; DA OCE FOR GEN. REBH

6. EMBASSY, USMTM AND COE PROPOSE THAT COE PROMPTLY RECRUIT TDY TEAM FROM SOURCES SUGGESTED PARA 4A. TEAM WILL PERFORM THE FOLLOWING FUNCTIONS:

- (A) WRITE AN ADEQUATE RFP AND DEVELOP A GOVERNMENT ESTIMATE TO SERVE AS BASELINE GUIDE (DELAYING PRESENT PROCUREMENT ATTEMPT);
- (B) STUDY THE POSSIBILITY OF SEPARATING CONSTRUCTION, SUPPLY AND PROCUREMENT FUNCTIONS FROM PRESENT RFP AND REQUESTING SEPARATE BIDDING ON THESE ASPECTS OF PROGRAM;
- (C) RECOMMEND SIZE AND STRUCTURE OF PERMANENT TEAM OF HOSPITAL AND CONTRACT ADMINISTRATION PERSONNEL TO TAKE OVER FROM TDY TEAM AS EARLY IN THE PROCUREMENT PROCESS AS POSSIBLE.

7. THE IMMEDIATE REQUIREMENT IS FOR A CHIEF OF THE TDY TEAM WHO SHOULD BE A SENIOR (06) ARMY MEDICAL UNCLASSIFIED

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SERVICE CORPS HOSPITAL ADMINISTRATOR WITH BROAD EXPERIENCE IN HEALTH CARE ADMINISTRATION AND A BACKGROUND IN MEDICAL SUPPLY AND FACILITIES PLANNING. OTHER KNOWN REQUIREMENTS ARE FOR (1) A SENIOR (GS-14) CONTRACT ADMINISTRATOR AND (2) A SPECIFICATIONS WRITER, BOTH WITH EXTENSIVE GOVERNMENT EXPERIENCE IN SUPPLY AND PROCUREMENT; PLUS (3) AN ESTIMATOR EXPERIENCED IN ESTIMATING COSTS OF SERVICE CONTRACTS. ADDITIONAL TEAM MEMBER REQUIREMENTS WILL BE IDENTIFIED BY SENIOR TEAM MEMBERS MORE KNOWLEDGEABLE IN SUCH MATTERS AFTER THEY HAVE ASSESSED THE SITUATION ON THE SCENE.

8. EMBASSY BELIEVES MEDICAL ADVISERS IN COURSE THEIR CONTACTS HERE SHOULD MAKE RENEWED EFFORT ENCOURAGE MODA HIRE CIVILIAN CONSULTING FIRM TO OVERSEE IMPLEMENTATION OF CONTRACT (PARA 6C ABOVE) AFTER AWARD. SINCE MODA WILL BE FACED WITH ONGOING NEED TO ADMINISTER HOSPITALS (FIVE-YEAR PLAN CALLS FOR ADDING SEVEN MORE HOSPITALS TO EXISTING THREE NOW READY FOR OPERATION), BELIEVE CONTINUING EFFORT SHOULD BE MADE TO BUILD MODA CONFIDENCE IN

UTILIZATION OF PRIVATE FIRMS FOR LONG-RANGE PROGRAM
PLANNING AND CONTRACT SUPERVISION RESPONSIBILITIES.

9. ACTION REQUESTED: AUTHORIZATION FOR COE AND USMTM
PARTICIPATE IN THIS COUNTRY TEAM EFFORT AS DESCRIBED
TO EXTENT NECESSARY TO INSURE ITS SUCCESS.
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